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CSS

25th ANNUAL REPORT

SHOPLIFTING

IN

SUPERMARKETS

BY

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COMMERCIAL SERVICE SYSTEMS INC.

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May 20, 1988

TO: OUR FRIENDS IN THE RETAIL INDUSTRY:

This is the twenty-fifth edition of our annual report on shoplifting. This report is based on the apprehension of 9,832 shoplifters in 391 supermarkets located in Southern California.

The source of the data is the written report completed by the retail security agent or store employee who apprehended the shoplifter.

We are happy to share this data and ask only that users comply with the conditions stated below:

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ESTIMATING SHOPLIFTING LOSSES

1. When the retail accounting method is used, all goods delivered to a store are charged to the store at the retail selling price.

2. At the end of the inventory period, the value of all good delivered to the store during that period is totalled. This provides total number one.

3. The goods in the store at the end of the inventory period are physically counted and costed out. To the value of the merchandise left in the store is added the total sales for the period, total spoils and breakage, the total of markdowns and any other known loss factor. This provides total number two.

4. The difference between total one and total two represents either an inventory gain or an inventory loss (shrink).

5. The amount of loss to retail business due to shoplifting is difficult to assess because several factors contribute to total inventory shrink. Those factors include:

SHOPLIFTING	EMPLOYEE THEFT
VENDOR THEFT	EMPLOYEE UNDERCHARGE ERRORS
INVENTORY ERRORS	ACCOUNTING ERRORS

ETC.

6. It is impossible to know to what extent each factor contributes to total shrink. We offer the following method of estimating the importance of the shoplifting factor in the equation:

SUPERMARKET

Average Value of Merchandise Recovered Per Apprehension	Estimated Number of Incidents Per Store Per Day	Operating Days Per Year	Yearly Loss Per Store
$11.19	1	363	$ 4,062
11.19	2	363	8,124
11.19	3	363	12,186
11.19	4	363	16,248
11.19	5	363	20,310
11.19	6	363	24,372
11.19	7	363	28,434
11.19	8	363	32,496
11.19	9	363	36,558
11.19	10	363	40,620

ESTIMATING SHOPLIFTING LOSSES

A FORMULA FOR INDIVIDUAL RETAILERS

Please indicate the percentage of total inventory shrink which you believe the following factors contribute:

1.	Shoplifting	_____%
2.	Employee Theft	_____%
3.	Vendor Theft	_____%
*4.	Good Faith Cashier Undercharge	_____%
5.	Inventory-Accounting Errors	_____%
6.	Other	_____%
		100 %

7. Multiply your total yearly inventory shrink by the percentage you attribute to shoplifting:

_____	X	_____	=	$_____
Total Inventory Shrink in Dollars		% Attributed to Shoplifting		Estimated Loss

8. Fill in the factors which you think apply to your company and multiply:

_____	X	_____	X	_____	X	_____	=
Average Theft		Number of Shoplifters per Store per Day		Number of Operating Days		Number of Stores	

$_____
ESTIMATED SHOPLIFTING LOSS

9. The following example pertains to a 100 store company open 363 days per year which believes that each of its stores is victimized by shoplifters an average of 9 times per day:

$11.19	X	9	X	363	X	100	=
Average Theft		Number of Shoplifters per Store per Day		Number of Operating Days		Number of Stores	

$ 3,655,773
ESTIMATED SHOPLIFTING LOSS

10. Compare estimated loss in paragraph 7 with estimated loss in paragraph 8.

*Studies in good faith cashier overcharge and undercharge errors indicate a net error in favor of the customer.

ESTIMATED SHOPLIFTING LOSSES

U.S. Grocery Stores

The April 1988 issue of Progressive Grocery Magazine shows the following count of grocery stores:

Supermarkets	30,400
Convenience Stores	50,000
Other Stores	69,600
Total	150,000

In 1987, the average value of the merchandise recovered each time a supermarket shoplifter was apprehended was $11.19. (Down from $11.60 in 1986).

By applying the following formula, we can estimate the yearly shoplifting loss in supermarkets:

$11.19	X	9	X	363	X	30,400	=
Average Shoplifting Theft		Estimated No. Incidents per Store per Day		Number of Operating Day per YeaR		Number of Supermarkets in U.S. 1987	

$1,111,354,992

Total Shoplifting Losses U.S. Supermarkets

If we estimate that the 50,000 convenience stores and the 69,000 other grocery stores in the U.S. are victimized only half as often as supermarkets and that the shoplifter steals only half as much per theft in these stores, we can use the same formula to estimate the total loss to shoplifters in all grocery stores:

Supermarkets	$1,111,354,992
Convenience Stores	$ 456,563,250
All Other Grocery Stores	$ 635,536,044

$2,203,454,286

Total Shoplifting Losses All U.S. Grocery Stores

AVERAGE NUMBER OF ITEMS RECOVERED PER APPREHENSION

Total Cases	3.2
Total Adults	3.3
Adult Males	2.6
Adult Females	4.1
Total Juveniles	2.9
Total Male Juveniles	2.3
Total Female Juveniles	3.8

AVERAGE VALUE OF MERCHANDISE RECOVERED PER APPREHENSION

Total Cases	$11.19
Total Adults	$11.97
Adult Males	$11.15
Adult Females	$12.97
Total Juveniles	$8.62
Total Male Juveniles	$6.69
Total Female Juveniles	$11.32

NUMBER OF CASES IN WHICH

1 TO 30 ITEMS WERE RECOVERED

Number of Items	Number of Cases	Percent
1	3843	39.1
2	2135	21.7
3	1073	10.9
4	784	8.0
5	498	5.1
6	350	3.6
7	273	2.8
8	186	1.9
9	121	1.2
10	118	1.2
11	93	.94
12	68	.69
13	48	.48
14	37	.37
15	40	.40
16	27	.27
17	16	.16
18	13	.13
19	15	.15
20	22	.22
21	10	.10
22	6	.06
23	3	.03
24	4	.04
25	4	.04
26	4	.04
27	7	.07
28	5	.05
29	7	.07
30	1	.01
Other	21	.21

VALUE RANGE

MERCHANDISE RECOVERED

CASES WITHIN EACH VALUE RANGE

	Number of Cases	Percent
Under 50¢	359	3.7
50¢ - $ 5	243	2.5
$ 1 - 5 $	4088	41.6
$ 5 - $10	2192	22.3
$10 - $25	2008	20.4
$25 - $50	640	6.5
$50 - $75	170	1.7
$75 - $100	61	.62
$100 - $150	45	.45
$150 - $200	10	.10
Over $200	16	.16

SHOPLIFTERS REFERRED TO POLICE

Total Cases	24.2%
Total Adults	25.5%
Adult Males	27.6%
Adult Females	22.8%
Total Juveniles	20.0%
Male Juveniles	19.0%
Female Juveniles	21.5%

SEX OF SHOPLIFTERS

	Male	Female
Total Cases	55.7%	44.2%
Adults	55.0%	44.9%
Juveniles	58.2%	41.7%

DISTRIBUTION OF SHOPLIFTING APPREHENSIONS

BY MONTH

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Total Cases	9.6%	7.5%	8.8%	8.1%	7.0%	8.9%	8.4%	9.2%	8.6%	9.0%	7.4%	6.7%
Total Adults	9.9	7.7	8.6	7.9	6.7	8.8	8.5	9.1	8.3	9.1	7.8	6.8
Adult Males	10.3	8.3	8.4	7.6	6.1	8.1	7.9	9.3	7.9	9.2	8.7	7.5
Adult Females	9.4	7.0	8.9	8.3	7.4	9.7	9.2	9.0	8.9	8.9	6.8	6.0
Total Juveniles	8.5	6.9	9.6	8.5	8.2	9.1	8.3	9.4	9.5	9.0	6.2	6.4
Male Juveniles	8.4	6.8	10.6	9.7	8.1	8.2	6.6	9.1	8.3	9.6	6.6	7.5
Female Juveniles	8.7	7.0	8.2	6.7	8.4	10.2	10.6	9.8	11.1	8.1	5.6	5.0

DAY APPREHENSION OCCURRED

	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Sun.
Total Cases	14.8%	14.5%	15.1%	14.5%	14.1%	12.1%	14.5%
Total Adults	15.0	14.4	15.0	14.1	14.2	12.3	14.5
Adult Males	14.8	14.1	14.5	13.5	14.6	12.5	15.6
Adult Females	15.3	14.8	15.6	14.9	13.8	12.0	13.3
Total Juveniles	13.9	14.7	15.6	15.8	13.8	11.5	14.3
Male Juveniles	13.8	14.3	15.2	15.7	13.8	12.2	14.5
Female Juveniles	14.1	15.2	16.2	15.9	13.8	10.5	13.9

TIME OF DAY APPREHENSION OCCURRED

	Before Noon	12-3 PM	3-6 PM	6-9 PM	9 PM Midnight
Total Cases	11.3%	30.1%	34.5%	19.9%	3.3%
Total Adults	12.1	30.2	33.3	20.2	3.5
Adult Males	12.2	27.4	33.2	22.1	4.1
Adult Females	11.9	33.6	33.3	17.9	2.8
Total Juveniles	8.8	29.8	38.8	19.1	2.8
Male Juveniles	9.7	29.0	38.1	19.4	3.2
Female Juveniles	7.7	30.9	39.8	18.6	2.2

AGE OF SHOPLIFTER

Under 12	3.4%	*17.2%
12 - 17	12.7%	*9.3%
18 - 29	34.5%	*21.4%
30 - 39	24.0%	*15.4%
40 - 49	10.0%	*10.7%
50 - 59	6.3%	*9.5%
Over 60	8.8%	*16.7%

* Size of the age group within the general population.

VALUE OF MERCHANDISE RECOVERED

TOTAL VALUE

CIGARETTES AS PERCENTAGE OF TOTAL

Total Value of Merchandise Recovered	$110,097
Value of Cigarettes Recovered	$ 13,466
Cigarettes as Percentage of Total	12.2%

CIGARETTES RECOVERED

Percentage of cases in which one or more cigarette items were recovered.

Year	Percent
1987	17.0%
1986	20.6
1985	15.9
1984	19.1
1983	16.2
1982	11.1
1981	8.5
1980	7.6
1979	5.2%
1978	4.8%
1977	4.1%
1976	3.9%
1975	3.9%
1974	4.1%

NOTE

We often receive inquiries about our yearly reports which indicate that the caller is attempting to use the data to determine a year to year increase or decrease in the amount of shoplifting in general.

Shoplifting is a nebuluous subject, the effect of which is difficult to calculate because most of it goes undetected. Therefore, it is understandable that one might try to use our data to find an answer to a question about an overall increase or decrease in shoplifting.

We hasten to point out that our reports are based on APPREHENSIONS. The number of apprehensions is not necessarily an indication of the amount of shoplifting which takes place.

The number of apprehensions is much more an indication of the intensity and quality of the effort to discover and apprehend.

CATEGORIES OF RECOVERED MERCHANDISE

Indicates the percentage of cases in which one or more items within the indicated categories were recovered

	Fresh Meat	Deli	Other Food	Liquor	Cigarettes	Vitamins	Health & Beauty	Clothing	Other Non-Food
Total Cases	12.6%	9.8%	21.1%	7.8%	17.0%	.7%	17.8%	1.6%	37.6%
Total Adults	14.7	11.1	20.9	8.8	17.6	.8	19.7	1.6	34.2
Adult Males	14.8	10.1	16.6	11.6	19.7	.5	16.4	.9	28.2
Adult Females	14.7	12.3	26.2	5.3	15.1	1.1	23.9	2.5	41.6
Total Juveniles	5.4	5.3	21.8	4.8	14.9	.2	11.4	1.4	48.6
Male Juveniles	4.7	4.8	20.9	6.6	17.3	0	10.1	1.1	43.1
Female Juveniles	6.4	6.0	23.1	2.2	11.7	.5	13.2	1.8	56.1

METHODS OF CONCEALMENT

Indicates primary method of concealment reported

	Purse	Shopping Bag	Other Bag	Pocket	Label Switcher	Accomplice	Under Clothing	Other Method
Total Cases	29.3%	1.7%	3.2%	28.3%	.5%	3.1%	25.1%	7.9%
Total Adults	31.7	1.8	3.0	28.2	.6	2.1	24.2	7.6
Adults Males	1.4	2.2	2.2	44.6	.4	2.3	37.9	8.3
Adult Females	68.8	1.4	3.9	8.2	.8	2.0	7.5	6.7
Total Juveniles	21.5	1.4	3.8	28.8	.5	6.2	28.0	9.0
Male Juveniles	1.1	1.5	4.2	38.0	.3	5.3	39.2	9.5
Female Juveniles	50.1	1.2	3.3	15.8	.8	7.4	12.3	8.2

SUPERMARKET SHOPLIFTING DATE 1976 - 1987

YEAR AND NUMBER OF CASES	PERCENT OF ADULTS PROSECUTED	PERCENT OF JUVENILES TO POLICE	DAY WHEN MOST SHOPLIFTERS WERE CAUGHT	MONTH WHEN MOST SHOPLIFTERS WERE CAUGHT	TIME PERIOD WHEN MOST SHOPLIFTERS WERE CAUGHT	AGE GROUP MOST OFTEN APPREHENDED	PERCENT OF SHOPLIFTERS UNDER THIRTY YEARS OLD	RATIO OF ADULT MALE-FEMALE APPREHENSIONS	PERCENT CONCEALED IN POCKET-PURSE OR UNDER CLOTHING	AVERAGE NUMBER OF ARTICLES RECOVERED	AVERAGE VALUE OF MERCHANDISE RECOVERED
1987 9,832	25.5%	20.0%	WED	JAN	3-6 PM	18-29	50.6%	55.0% 44.9%	82.7%	3.2	$11.19
1986 13,940	36.8%	26.5%	WED.	MAR. APR.	3-6 PM	18-29	53.7%	58.3% M 41.6% F	84.4%	3.1	$11.60
1985 15,104	33.8%	24.6%	FRI.	OCT.	3-6 PM	18-29	57.7%	56.3% M 43.6% F	82.5%	3.1	$10.99
1984 17,648	38.7%	29.3%	FRI.	JAN.	3-6 PM	18-29	57.9%	58.3% M 41.6% F	80.6%	3.3	$11.97
1983 19,773	36.8%	27.9%	THURS.	MAR. APR.	3-6 PM	18-29	61.5%	59.0% M 40.9% F	80.8%	3.1	$11.61
1982 17,653	39.9%	30.8%	THURS.	JULY	3-6 PM	18-29	64.0%	57.5% M 42.4% F	80.7%	3.1	$10.77
1981 14,285	41.9%	34.1%	TUES.	OCT.	3-6 PM	18-29	64.9%	54.7% M 45.2% F	80.0%	3.2	$10.06
1980 11,484	37.6%	32.1%	MON. TUES.	OCT.	3-6 PM	18-29	63.9%	49.0% M 50.9% F	79.3%	3.2	$8.69
1979 14,720	34.1%	24.7%	MON. TUES.	MAR.	3-6 PM	18-29	62.8%	55.3% M 43.6% F	78.0%	3.1	$7.37
1978 17,326	33.0%	21.7%	WED.	APR.	3-6 PM	18-29	70.6%	54.9% M 44.3% F	78.4%	3.2	$6.39
1977 16,255	35.3%	24.7%	FRI. MON.	MAY	3-6 PM	18-29	70.2%	52.6% M 47.3% F	80.6%	3.2	$5.99
1976 16,100	35.7%	24.9%	THURS.	MAR.	3-6 PM	18-29	71.6%	51.4% M 48.6% F	81.3%	3.2	$5.90

COMMERCIAL SERVICE SYSTEMS INC.

Commercial Service Systems, Inc. is an investigative company which specializes in retail security systems for the control of losses due to **dishonest** and **inefficient personnel** and **shoplifting.** The company was incorporated in 1946. Executive offices are located in Van Nuys, California.

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